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## **Veteran Entrepreneur Portal**

### **FUNDING & FINANCING**

To speed and improve the process, the International Franchise Association serves as a conduit between veterans and the participating franchise systems, but does not engage in negotiations, nor does IFA provide financing or financial guidance. Many franchise systems offer financing, others help prospective franchisees locate the necessary capital to acquire a franchise.

### **VETERANS SCHOLARSHIP PROGRAM**

The IFA Educational Foundation, with the generous support of Michael Seid & Associates LLC, Figaro's Italian Pizza, Luce Smith and Scott, Valpak Direct Marketing Systems, and The Dwyer Group has created a Veterans Scholarship Fund. The fund provides \$2,500 annual scholarships to a qualified veteran of the U.S. military, to encourage his or her pursuit of continuing education focused on entrepreneurial studies. [Click here](#) to learn more.

### **Veteran Benefits**

Another benefit the association provides to veterans is free entry to its trade shows in Washington, D.C., Los Angeles and Miami where they can view many business options, meet with company representatives and attend the "Franchising 101 for Veterans" seminar free of charge.

### **Education Benefits**

Veterans with a desire to start their own small business can use the [Montgomery GI Bill](#) education benefits to pay for the training needed to start the small business. VA will only pay for programs offered by the Small Business Development Centers (SBDC) or Veterans Corporation.

Education benefits can also be used to pay for training at Non-Degree-College Institutions that will lead to a diploma in the following programs:

- **Barber/Beautician Schools**
- **EMT Certification**
- **HVAC Certification**
- **Truck Driving**

In cases where a license or certification is required for the small business veterans can receive reimbursement for licensing and certification tests that were taken on or after March 1, 2001. In order to find out if the test is approved for the GI Bill you can call 1-888-GIBILL-1 (1-888-442-4551).

## **Little Caesars Veterans Program**

The minimum requirements from Little Caesars are: \$50,000 in liquid, unencumbered assets (cash available, no lien or loan on money), VA Rating Letter or DD214, a county you are interested in opening the franchise, and a minimum net worth of \$150,000. Your net worth would be assets minus liabilities. If you meet the minimum requirements, please contact Lil Caesar's VetFran Program at 1-800-553-5776. To obtain copies of your military records please visit: <http://www.archives.gov/veterans/military-service-records/get-service-records.html>

## **ACCESS TO CAPITOL**

**VA does not make loans or grants for the startup or expansion of a small business. The Small Business Administration (SBA) is the agency that has been tasked with small businesses financing, for which they have several loan programs established.**

## **LOANS**

All small business loans are determined **on a basis of credit-worthiness**. Financial institutions take into account several factors including: a business profile, description of how loan funds will be used, collateral offered, business financial statements and personal financial statements. Generally, small business loans are repaid in five to seven years. There are several SBA small business loan programs established, which are described on the SBA financing website at <http://www.sba.gov/financing/index.html>.

## **PATRIOT EXPRESS LOAN**

On June 14th, 2007, SBA launched a loan program for Veterans called **Patriot Express**. Patriot Express is part of the SBA 7(a) small business loan program. More information can be found at <http://www.sba.gov/patriotexpress>

## **IS THERE A LIST OF PREFERRED LENDERS?**

Preferred Lenders are financial institutions chosen from among SBA's best lenders and have full delegation of lending authority for a lower rate of guaranty. Preferred lenders have a maximum SBA guarantee of 75%. Preferred lenders account for ten percent of SBA loans. The following web site <http://www.sba.gov/gopher/Local-Information/Certified-Preferred-Lenders/> will link you to the opening page on Certified and Preferred Lenders. The accompanying web page will provide you with a list of these lenders by geographical areas.

## **GRANTS**

Grants are a form of funding for specific federal research and social programs. Contrary to popular belief, there are no federal grants made specifically for the purpose of starting a business. Organizations can use the [Grants.gov](http://www.Grants.gov) website to electronically find and apply for competitive grant opportunities from all Federal grant-making agencies. [Grants.gov](http://www.Grants.gov) is THE single access point for over 900 grant programs offered by the 26 Federal grant-making agencies.

## **WHAT IS NADCO?**

The National Association of Development Companies (NADCO) is the trade association of Certified Development Companies (CDCs) - companies that have been certified by the Small Business Administration (SBA) to provide financing for small businesses under the Certified Development Company Economic Development Loan Program or the SBA 504 Program. The SBA 504 loan program was created for two reasons: (1) To provide financing to entrepreneurs who are ready to buy or build a facility, and (2) for the purpose of stimulating economic development through job creation, business growth and increased tax revenues. A simple way to describe an SBA 504 loan is as a mortgage for small business owners to "***purchase homes***" for their businesses. Visit <http://www.nadco.org/i4a/pages/index.cfm?pageid=3283> to find basic information on SBA 504 loans and how one can work for you!

## **WHAT ARE ECONOMIC DEVELOPMENT GRANTS/LOANS AND ARE THEY AVAILABLE TO VETERANS?**

Economic development grants or loans are typically provided by municipal, regional or state agencies that target specific areas for new business. These loans are sometimes also provided by private concerns. The best place to locate these types of financing are through your state's economic development organization or through the [Council for Urban Economic Development](#). In an effort to improve their local economies, most states, and many municipalities and counties, sponsor a variety of public funding sources for small business concerns. At the state level, nearly all states have some form of state economic development agency and/or state finance authority that make loans or loan guarantees to small businesses.

## **STATE PROGRAMS**

State Commerce Departments often have direct or participating loan programs that may be even more attractive than SBA-guaranteed loan programs. Also, don't forget to check local colleges, universities, or trade schools to see if they have any small business assistance programs. Some institutions, with the help of public funding, provide business "incubator" programs that can include consulting, marketing, services, facilities, and financing opportunities to local businesses as part of the institution's business education program. These types of financing are available to everyone. You may also want to check with your local Veteran's Service Organization, such as the American Legion, to see if they know of anything specifically targeted at veterans in your area. Another place to find information on these types of financing is your local Small Business Development Center (SBDC).

## **VENTURE CAPITAL FUNDS**

In some cases, **venture capital funds** or other private investors may invest in a startup company. All investment and lending decisions are made by the financial institutions.

## **FAMILY AND FRIENDS/COLLATERALIZED LOANS AND CREDIT CARDS**

According to the SBA, the overwhelming majority of startups are financed by **family and friends, collateralized loans, and credit cards**.